

Message Text

LIMITED OFFICIAL USE

PAGE 01 EC BRU 07232 01 OF 02 221938Z

63

ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-07

FRB-03 INR-07 NSAE-00 CIEP-01 SP-02 STR-04 TRSE-00

LAB-04 SIL-01 SAM-01 OMB-01 SS-15 NSC-05 ITC-01 AGR-05

L-03 PA-01 PRS-01 USIA-06 /087 W

----- 108982

R 221743Z JUL 76

FM US MISSION EC BRUSSELS

TO SECSTATE WASHDC 1619

INFO ALL EC CAPITALS 2363

LIMITED OFFICIAL USE SECTION 1 OF 2 EC BRUSSELS 07232

PASS AGRICULTURE AND STR

E.O. 11652: N/A

TAGS: EAGR, EEC

SUBJECT: EC COUNCIL OF AGRICULTURAL MINISTERS-JULY 19-20, 1976

REF: (A) EC BRUSSELS 7190, (B) EC BRUSSELS 6747, (C) EC A-308
(D) EC BRUSSELS 5972, (E) TOFAS 202, (F) TOFAS 272, (G) EC A-322
OF 8/11/75

1. BEGIN SUMMARY: AT THRIE COUNTIL MEETING JULY 19-21, EC
FARM MINISTERS DISCUSSED THE EFFECTS OF THE DROUGHT ON EC
AGRICULTURAL PRODUCTION. THE COMMISSION ANNOUNCED ITS INTENTION
TO ADOPT A NUMBER OF MEASURES TO PROVIDE RELIEF TO THE LIVE-
STOCK SECTOR, INCLUDING INCREASING EC EXPORT SUBSIDIES ON BEEF
AND PORK. ITALY WILL CONTINUE TO RECEIVE A 3 U.A./M.T.
REFUND ON THE EC IMPORT LEVY ON CORN. THE COUNCIL FIXED NEXT
YEAR'S PRODUCTION SUBSIDIES FOR STARCH MANUFACTURE. NO DECISIONS WERE
TAKEN ON THE COMMISSION'S APROPOSALS FOR SHEEPMEAT. PRODUCTION
SUBSIDIES FOR HOPS WERE APPROVED FOR THE 1975 HARVEST.
END SUMMARY.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 EC BRU 07232 01 OF 02 221938Z

2. THIS MESSAGE COMPLETES OUR REPORTING ON DEVELOPMENTS IN

THE EC COUNCIL OF AGRICULTURAL MINISTERS MEETING JULY 19-20.
REF. A REPORTED ON COUNCIL'S DISCUSSION OF THE COMMISSION'S
DAIRY REFORM PACKAGE, INCLUDING THE PROPOSED OILS TAX.

3. DROUGHT: DISCUSSION OF THE DROUGHT OCCUPIED A GREAT DEAL
OF THE AGRICULTURAL MINISTERS' TIME DURING THEIR COUNCIL MEETING
JULY 19-20. A FEW OF THE MINISTERS CAME PREPARED WITH THEIR
LATEST PRODUCTION ESTIMATES TO DEMONSTRATE THE DROUGHT'S
HEAVY TOLL SO FAR. LUXEMBOURG ANNOUNCED THAT ITS WINTER GRAIN
HARVEST WAS AROUND 60-70 PERCENT OF ITS NORMAL LEVEL AND THAT
ITS MILK PRODUCTION LAST WEEK WAS 23 PERCENT BELOW THE LEVEL
A YEAR AGO. FRENCH MINISTER BONNET SAID THAT FRANCE'S SOFT
WHEAT PRODUCTION THIS YEAR WOULD ONLY EQUAL LAST YEAR'S
MEDIocre PERFORMANCE, DESPITE AN INCREASE IN PLANTED AREA OF
600,000 HECTARES. MILK PRODUCTION IN FRANCE LAST WEEK WAS
RUNNING 13 PERCENT BELOW THAT OF LAST YEAR'S AT THAT TIME, AND
FRENCH AUTHORITIES WERE NOW ANTICIPATING A 3-7 PERCENT DROP
IN MILK PRODUCTION FOR THE WHOLE YEAR COMPARED TO 1975.
ASSUMING A 3 PERCENT DECLINE IN MILK PRODUCTION, BONNET WENT
ON, THERE WOULD BE A 6 PERCENT DECREASE IN BUTTER AND A 9.4
PERCENT DECREASE IN NFDM PRODUCTION. BONNET STATED THAT THE
HARDEST-PRESSED SECTOR AT THE PRESENT WAS BEEF AND PROPOSED
A NUMBER OF MEASURES DESIGNED TO STEP UP BEEF EXPORTS.
ITALIAN MINISTER MARCORA TALKED ABOUT THE INCREASING
DIFFICULTIES HIS COUNTRY WAS HAVING TO SECURE ADEQUATE FEED
SUPPLIES AND ASKED FOR A REDUCTION IF NOT SUSPENSION OF THE
IMPORT LEVY ON CORN.

4. BEEF: THE COMMISSION HAD NOW NEW EC PRODUCTION ESTIMATES
OF ITS OWN TO PRESENT ON THE CONSEQUENCES OF THE DROUGHT BUT
ANNOUNCED ITS INTENTION TO TAKE THE FOLLOWING MEASURES VIA THE
MANAGEMENT COMMITTEE PROCEDURE NEXT WEEK TO RELIEVE THE BEEF
SECTOR:

A. TO INCREASE THE QUANTITIES ELIGIBLE FOR EC PRIVATE
STORAGE SUBSIDIES FROM 80,000 M.T. TO 100,000-120,000 M.T.
B. TO EXTEND THE PRESENT AUTHORIZATION FOR SPECIAL
INTERVENTION BUYING OF COW BEEF, SCHEDULED TO EXPIRE JULY 31
(REFS. B AND C), UNTIL SEPTEMBER 15 FOR ANOTHER 18,000 M.T.
(OF WHICH FRANCE 10,000, GERMANY 5,000, NETHERLANDS 1,200,
BELGIUM 1,200, AND LUXEMBOURG 500).
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 EC BRU 07232 01 OF 02 221938Z

C. TO INCREASE EC EXPORT SUBSIDIES ON BEEF AND POSSIBLY PORK.
D. TO APPLY "PRUDENTLY" THE "JUMELAGE" SYSTEM SO AS TO
INSURE THAT IMPORTS WILL NOT ADVERSELY AFFECT EC PRODUCER
PRICES.
E. TO INCREASE THE EC SUBSIDY ON LIQUID MILK POWDER
FOR FEED.

5. STARCHES: THE QUESTION OF PRODUCTION SUBSIDIES ON STARCH

FOR THE NEW SEASON RAISED A GREAT DEAL OF CONTROVERSY DURING THIS MEETING. MINISTERS COMPROMISED ON THE FOLLOWING SUBSIDY LEVELS (1975/76 SUBSIDIES ARE SHOWN IN PARENTHESIS):

--SOFT WHEAT FOR STARCH: 20 U.A./M.T. (16.3 U.A./M.T.)

--CORN FOR STARCH, POTATO STARCH, AND CORN GROATS AND MEAL FOR CLUCOSE: 14 U.A./M.T. (10U.A./M.T.)

--BROKEN RICE FOR STARCH: 17.2 U.A./M.T. (12.3 U.A./M.T.)

--CORN FOR SYRUP WITH A HIGH FRUCTOSE CONTENT: 10 U.A./M.T. (10 U.A./M.T.)

--MINIMUM PRICE FOR POTATO PRODUCERS: 172 U.A./M.T. (162 U.A./M.T.)

6. THE COUNCIL DECIDED THAT THERE WILL NO LONGER BE A SUBSIDY FOR CORN USED TO PRODUCE SYRUPS WITH A HIGH FRUCTOSE CONTENT AFTER AUGUST 1, 1977. MANY OF THE EC SUGAR PRODUCING COUNTRIES POINTED TO THE INCREASING COMPETITION OF CORN SYRUP WITH SUGAR. THERE HAS BEEN A GREAT DEAL OF INVESTMENT ON THE PART OF UK, DUTCH AND BELGIAN FIRMS IN CORN SYRUP PRODUCTION. ACCORDING TO A DUTCH PERMEL SOURCE, IN TAKING THIS ACTION, THE COMMUNITY IS WARNING THESE FIRMS NOT TO CONTINUE THEIR INVESTMENT IN CORN SYRUP PRODUCTION BECAUSE THE COMMUNITY WILL NOT ONLY ELIMINATE EC SUBSIDIES ON THIS PRODUCT, BUT WILL CONSIDER TAKING OTHER PROTECTIVE MEASURES SHOULD CORN SYRUP CONTINUE TO COMPETE WITH SUGAR.

7. ANOTHER ISSUE WHICH SPARKED A GREAT DEAL OF DISCUSSION WAS WHETHER CORN GROATS AND MEAL USED IN THE BREWING INDUSTRY SHOULD CONTINUE TO BE SUBSIDIZED AS IT ONCE WAS IN THE

PAST. THE BELGIANS WERE PARTICULARLY INTERESTED IN REESTABLISHING THE SUBSIDIES; HOWEVER, THE GERMANS OPPOSED THEM STRONGLY. THE GERMANS WERE CONCERNED ABOUT QUALITY DETERIORATION OF BEER SHOULD INCREASING USE BE MADE OF CORN IN BEER LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 EC BRU 07232 01 OF 02 221938Z

PRODUCTION AS OPPOSED TO BARLEY. IN THE END, THE GERMANS AND COMMISSION WON SUPPORT FROM THE OTHER MEMBER STATES TO CONTINUE NOT TO SUBSIDIZE CORN GROATS AND MEAL FOR BREWERIES.

8. HOPS: THE COMMISSION WILL GO BACK TO WORK ON ITS PROPOSAL TO THE COUNCIL FOR ORGANIZING THE HOPS MARKET (REF. D). THE PROPOSAL WILL NO LONGER INCLUDE PAYMENT FOR NONHARVESTING OF HOPS BUT INSTEAD WILL PROVIDE FOR A BAN ON EXTENDING THE AREA IN HOPS AND, POSSIBLE, RULES GOVERNING CONVERTING TO NEW VARIETIES. NEW, "PREVENTIVE" MEASURES AIMED AT AVOIDING MARKET DISTURBANCES MAY ALSO BE PROPOSED. THE MODIFIED PROPOSAL WILL THEN BE PRESENTED AGAIN TO THE COUNCIL BEFORE OCTOBER 15 FOR ITS APPROVAL BEFORE DECEMBER 15. THE COUNCIL APPROVED THE PRODUCER SUBSIDIES PROPOSED BY THE COMMISSION FOR THE 1975 HOPS HARVEST (REF. E).

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 EC BRU 07232 02 OF 02 221923Z

63

ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-07

FRB-03 INR-07 NSAE-00 CIEP-01 SP-02 STR-04 TRSE-00

LAB-04 SIL-01 SAM-01 OMB-01 SS-15 NSC-05 ITC-01 AGR-05

L-03 PA-01 PRS-01 USIA-06 /087 W

----- 108833

R 221743Z JUL 76

FM US MISSION EC BRUSSELS

TO SECSTATE WASHDC 1620

INFO ALL EC CAPITALS 2364

LIMITED OFFICIAL USE SECTION 2 OF 2 EC BRUSSELS 07232

PASS AGRICULTURE AND STR

9. ERUCIC ACID: THE COUNCIL HAS DECIDED THAT THE MAXIMUM ERUCIC CONTENT FOR FATS AND OILS FOR HUMAN CONSUMPTION WILL BE AS FOLLOWS: NO HIGHER THAN 10 PERCENT AFTER JULY 1, 1977, AND NO HIGHER THAN 5 PERCENT AFTER JULY 1' 1979. THE COMMUNITY HAS TAKEN SEVERAL MEASURES IN THE PAST YEAR TO INDUCE EC FARMERS TO SHIFT TO REPESEED VARIETIES WITH A LOWER ERUCIC ACID CONTENT.

10. TOMATOES: IN ORDER TO FACILITATE ITALIAN EXPORTS OF TOMATO CONCENTRATES TO THE THREE NEW MEMBER STATES, PARTICULARLY THE UK MARKET, THE COUNCIL HAS AGREED THAT ACCESSION COMPENSATORY AMOUNTS (ACA) BETWEEN THE ORIGINAL COMMUNITY AD THE NEW MEMBER STATES WILL BE 53.6 - 82.15 U.A./M.T., OR 50 PERCENT OF THE EXPORT SUBSIDY OF 107.20 U.A./M.T. - 164.30 U.A./M.T. (REF F). (ACA'S ARE APPLIED AS SUBSIDIES ON EXPORTS FROM THE ORIGINAL EC MEMBERS TO THE THREE NEW MEMBER STATES.) UNDER THE USUAL ACCESSION TIMETABLE (REF. G), AN ACA OF 42.88 -65.72 U.A./M.T., OR 40 PERCENT OF THE EXPORT SUBSIDY WOULD HAVE APPLIED FROM JULY 1, 1976. ALSO, AN ACA OF 30 U.A. OR 25 PERCENT OF THE EXPORT SUBSIDY OF 120 U.A./M.T. (REF F) WILL APPLY FOR

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 EC BRU 07232 02 OF 02 221923Z

THE FIRST TIME TO PEELED TOMATOES.

11. SHEEPMEAT: THE COUNCIL TOOK NO DECISION ON THE PROPOSED SHEEPMEAT CAP. THE INTERESTS AMONG THE PRINCIPAL MEMBER STATES INVOLVED (UK, FRANCE, AND IRELAND) CONTINUE TO DIVERGE. HOWEVER, THE COUNCIL DID ADOPT A RESOLUTION STATING THAT MEMBER STATES POSITIONS HAD COME CLOSE ENOUGH TO ALLOW THE

COUNCIL TO EXPRESS ITS INTENTION TO DECIDE ON INTERIM ARRANGEMENTS FOR SHEEPMEAT AT ITS NEXT SESSION, SEPTEMBER 20. HINTON

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGRICULTURE, REGIONAL ORGANIZATIONS, MINISTERIAL MEETINGS, MEETING REPORTS
Control Number: n/a
Copy: SINGLE
Draft Date: 22 JUL 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976ECBRU07232
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760282-0730
From: EC BRUSSELS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760733/aaaabcvd.tel
Line Count: 240
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 EC BRUSSELS 7190, 76 EC BRUSSELS 6747
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 31 MAR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <31 MAR 2004 by greeneet>; APPROVED <31 MAR 2004 by morefirh>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EC COUNCIL OF AGRICULTURAL MINISTERS-JULY 19-20, 1976
TAGS: EAGR, XT, EEC
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006